

Corporate Profile

Supplement to the Annual Report 2000/2001



Tradition • Innovation • Vision

GESCO AG & GESCO GROUP



*Willi Back, Chairman GESCO AG;
Robert Spartmann, Member of the Executive Board
(from right)*

GESCO – substance with vision



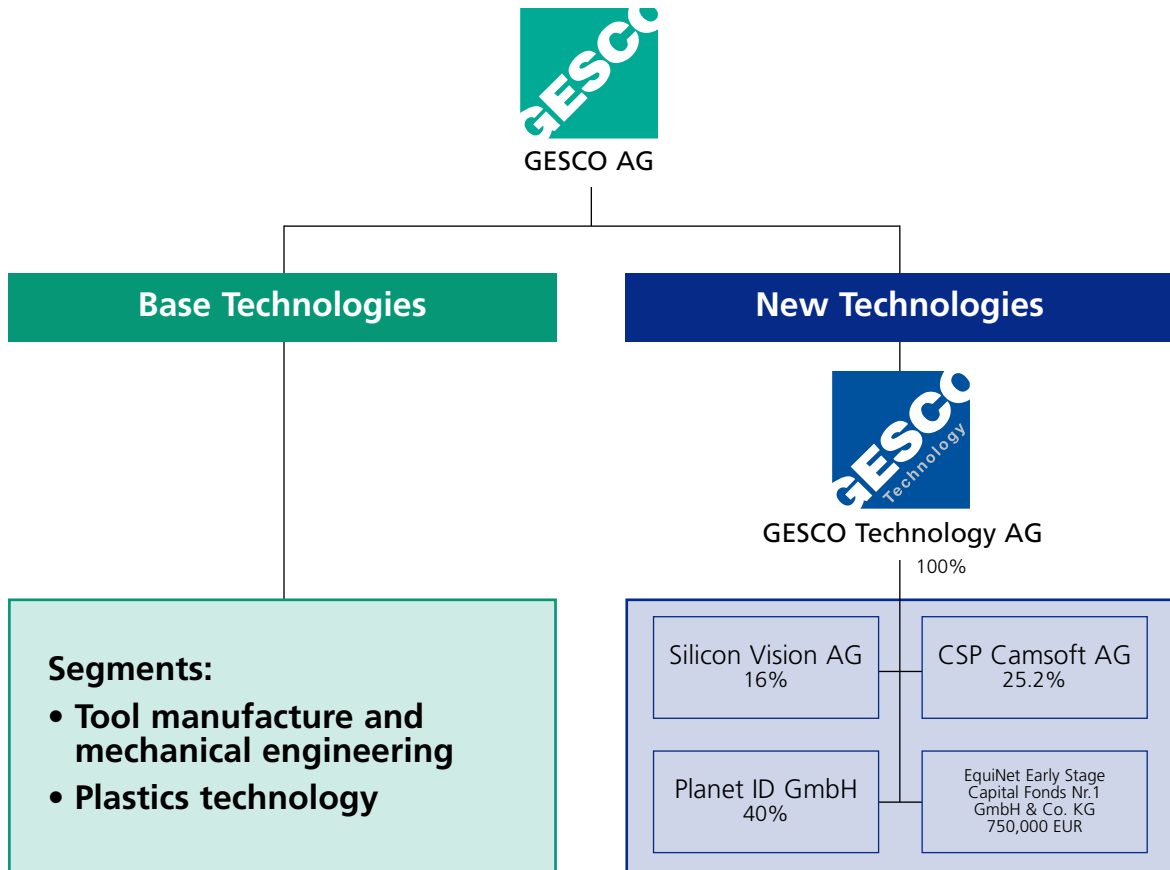
- As a holding company, GESCO AG has set itself the objective of **increasing values**: raising profits has priority over increasing sales.
- GESCO aims for an **optimum risk/return profile** in its portfolio.
- To this end it acquires 100% holdings in small and medium-sized **niche providers in the tool manufacture and mechanical engineering as well as plastics technology industries** with a view to holding them for the long term, normally in the context of succession arrangements.
- In addition, via its wholly-owned subsidiary GESCO Technology AG, GESCO acquires minority stakes in rising companies in the **New Technologies** field in order to accelerate their growth and generate an above-average profit when subsequently selling off the holding.
- In all its activities GESCO attaches great importance to a balance between **solidity** and **dynamism**, which has resulted in successful growth over a period of many years.
- GESCO is a **company of entrepreneurs**: subsidiaries are managed by qualified sector experts, who generally also hold stakes in them.
- As the lead company GESCO AG ensures that its subsidiaries are run in accordance with the latest management standards, providing **coaching, consulting** and **(financial) control**.
- Their affiliation to the Group enhances the **standing** of subsidiaries vis-à-vis banks, customers and suppliers.
- GESCO shares offer investors sound **substance** and high **value**.
- GESCO shares provide an attractive **dividend yield**: the distribution policy is shareholder-friendly.
- At the same time GESCO shares inspire **vision** as, in the future too, the acquisition of established niche providers combined with its involvement in New Technologies give the Group first-rate growth opportunities.

GESCO AG is a member of the **German Investor Relations Circle (DIRK)** and is bound by its principles of an active, open and continuous communications policy.

GESCO Group portfolio structure

as at 31 May 2001

3



Our acquisition criteria

Base Technologies division:

- sound SMEs
- successful niche providers
- high earnings potential
- companies with open succession arrangements
- sales of DM 20 million upwards
- adequate equity base
- no instance of rescue packages
- take-over long term, as a rule 100%
- focus on North Rhine-Westphalia and neighbouring regions

New Technologies division:

- young companies with above-average growth potential
- production-related or production-oriented sectors
- companies with a unique selling point
- start-ups with a sound business plan or established companies with proven success
- first-rate management
- individual investment up to approx. DM 6 million
- generally minority stake, happy to invest with strategic co-investors
- realistic prospects of lucrative exit
- no regional restrictions

GESCO AG shareholding	80%
Management shareholding	20%
Capital ratio (31.12.00)	43.0%
Sales 2000 (in DM m)	24.6 (-10.2%)
Staff (31.12.00)	99 (+8.8%)
Member of the GESCO Group since	15.05.96



Managing Director Peter Axmann



A milestone: construction of a new production hall with new foaming plant.

Ackermann Fahrzeugbau GmbH, Wolfhagen

Despite a decline in sales of around 10%, Ackermann's results in 2000 remained at the previous year's level. The contribution made by the Export division increased from 19% to 21%. The end of the year saw the onset of a significant economic downturn in the sector as a whole.

Ackermann specialises in building kits for closed HGV and trailer superstructures. These building kits are made of aluminium, steel, plywood and especially foamed laminated plastic sheets, and are delivered to regional bodywork manufacturers. The Wolfhagen-based company focuses on special applications such as refrigerated lorries and the transportation of clothing and foodstuffs. Short delivery times and flexibility are what put the company ahead of the competition; Ackermann enables its clients to position themselves as flexible solutions providers.

The Wolfhagen company holds a 24% stake in Ackermann Fahrzeugbau Oschersleben GmbH, situated in Oschersleben near Magdeburg. Complete vehicles are manufactured in Oschersleben, often using the building kits produced in Wolfhagen, for customers such as notable German retail chains.

In May 2000, the company celebrated the 150th anniversary of the Ackermann brand and made use of this opportunity to raise its profile in the industry. The key event in 2000 was the go-ahead for a major investment of around DM 12 million. The building of a new

foaming plant complete with new production hall means that the company will be complying with the more stringent environmental regulations, which from 2003 require CFC-free production, and will also be able to produce superstructures with increased dimensions to meet growing demand, as well as significantly improving productivity. This investment is being backed by the state of Hessen and the European Union.

2001 is likely to be a difficult year for Ackermann. In light of the decline in the industry as a whole, the company does not anticipate being able to match the previous year's sales levels. Hefty investments will lead to higher depreciation and financing costs in the next few years but will also increase productivity and release rationalisation potential. The company regards these investments against the cyclical trend as the right strategy for ensuring future growth.



GESCO AG shareholding	80%
Management shareholding	20%
Capital ratio (31.12.00)	45.5%
Sales 2000 (in DM m)	20.6 (+54.9%)
Staff (31.12.00)	80 (+27.0%)
Member of the GESCO Group since	01.05.95



Managing Director Dr. Wolfgang Kemper



Versatile: AstroPlast's plastic injection mouldings.

AstroPlast Fritz Funke GmbH & Co. KG, Sundern

2000 was an extremely successful year for AstroPlast. The company, which manufactures high precision plastic injected mouldings, recorded an increase in sales of 54.9% and achieved an overproportional rise in profits.

AstroPlast's proprietary product range of plastic spools continues to account for approx. 70% of sales. Its main customers in this area are manufacturers of wires, cables, tapes and tubes. Around 30% of sales was generated by customised injected mouldings in the electrical, household goods and automotive industries as well as the office supplies sector. The two product groups made an equal contribution to the increase in sales.

AstroPlast further expanded its consultancy and development activities for customers, which is a major step towards enhancing client relations and setting itself apart from the competition. A high level of technical expertise coupled with reliability makes AstroPlast a sought after business partner. However, its success would be unthinkable without its competent staff who are wholly committed to the company and its products, and are a source of continuous inspiration with regard to further development and reduction of costs.

In the year under review, AstroPlast increased its export ratio significantly from 25.7% to 33.3%. With a continuously rising investment volume of around DM 2.5 million, AstroPlast has optimised its equipment and production technology.

AstroPlast approaches financial year 2001 with cautious optimism – an economic downturn is on the cards for the second half of the year. Customised consultancy and development activities will be developed further, and the main focus of investment will be on expanding capacity, as well as the automisation and optimisation of production processes.



GESCO AG shareholding	90%
Management shareholding (from 01.01.01)	10%
Capital ratio (31.12.00)	58.7%
Sales 2000 (in DM m)	16.7 (-0.8%)
Staff (31.12.00)	113 (+0.9%)
Member of the GESCO Group since	01.04.99



Managing Director Siegfried Heinrich with Michael Schumacher, master in tool manufacture (from left)



Tailor-made: CNC-controlled tool processing at Beier.

Paul Beier GmbH Werkzeug- und Maschinenbau & Co. KG, Kassel

While sales levels were on a par with those of the previous year, Beier almost doubled its profits.

As a systems provider in the field of specialised mechanical engineering and high-quality tool manufacture, Beier's main customers come from the automotive, chemical and food industries. The company's successful modular system for tools designed to roll and profile gear parts makes it unique in the industry. Today, Beier is positioned as a systems provider offering comprehensive solutions, from design through to after-sales service. The company makes a decisive contribution to the value added of its customers by ensuring high tool-life and smooth production.

The company's strength lies in its highly trained and qualified expert staff and up-to-date technical equipment. Investments were primarily concentrated on maintaining the high technical standard of the machinery as well as expanding its CAD facilities and information technology in general.

Beier anticipates roughly equivalent sales levels in 2001, and profits which will at least equal the high level of the previous year.

In line with the GESCO "company of entrepreneurs" philosophy, Managing Director Siegfried Heinrich acquired a 10% stake in the company from 1 January 2001.



GESCO AG shareholding	100%
Capital ratio (31.12.00)	31.7%
Sales 2000 (in DM m)	142.7 (+14.5%)
Staff (31.12.00)	469 (+4.2%)
Member of the GESCO Group since	01.01.96



Managing Directors Helmut Laczkovich and Eckhard Müller (from left)



Full service: one-stop tool manufacture related products and services.

Dörrenberg Edelstahl GmbH, Engelskirchen-Ründeroth

2000 was a record year for Dörrenberg with the highest sales levels in the history of the company. Net income for the year reached the extraordinary highs of the previous year despite sharply increased taxes.

Thanks to its high technical expertise, customer focus and qualified, enthusiastic personnel, the company was able to benefit greatly from the lively economic climate. With active research and development in cooperation with international colleges and institutes, Dörrenberg works consistently hard on distinguishing itself from the rest and is extending its leadership in terms of quality and innovation.

Dörrenberg operates in four complementary divisions which are run as profit centres: stainless steel, stainless steel mould castings, precision castings and surface technology. The company is primarily supplier to the plant construction and mechanical engineering industry, tool manufacturing and automotive industries.

These four business sectors offer a comprehensive range of services which extends from technical advice, the supply of tool steel and castings to heat treatment and surface hardening. Dörrenberg is therefore able to position itself as a solutions and service provider in the tool manufacturing sector of the stainless steel market.

As planned, Dörrenberg has particularly expanded its surface technology in the

reporting year. A new CVD coating plant for heat treatment in temperatures of up to 1,000 ° C was commissioned. In addition, a new 800 m² hall was built and equipped with a 20t crane, so that Dörrenberg fulfils the technical requirements for dismantling large tools, heat-treating the individual components, coating and reassembling them. In the last four years, the company has invested a total of approx. DM 10 million in the surface technology sector, which has such a promising future.

The main focus of research and development was on the development of new materials, smelting metallurgy and coating of mechanically resistant material.

Exports increased from 18% to 23%.

Dörrenberg is cautiously optimistic about its prospects in 2001. In view of the impending economic downturn, the company has set itself the ambitious goal of consolidating its extraordinary success of financial year 2000.

On 3 May 2001, however, Ründeroth was hit by a devastating centennial storm and Dörrenberg's site was flooded. Loss of production, defective machinery and damaged supplies all contributed to total damage which is likely to impact on profits.

Further information on this company can be found in the detailed Dörrenberg profile in the main section of the annual report.



GESCO AG shareholding	80%
Management shareholding	20%
Capital ratio (31.12.00)	36.6%
Sales 2000 (in DM m)	11.5 (unchanged)
Staff (31.12.00)	51 (+18.6%)
Member of the GESCO Group since	01.05.95



Managing Director Dr. Wolfgang Kemper



Precise: Franz Funke produces turned components made of brass, aluminium and steel.

Franz Funke GmbH & Co. KG, Sundern

Although Franz Funke has discontinued a few products as part of its range restructuring process, sales levels remained on a par with those of the previous year. As a supplier of precision turned components made of brass, aluminium and steel to the instruments and electrical industry, Funke continued to maintain its focus on customers with products of high technical quality. Customer relations are enhanced by intensive consultancy and other services. In previous years, the company invested heavily in new machinery for more efficient production, and these measures have paid off, as Franz Funke has consequently increased its results significantly despite sales remaining the same.

Due to its flexibility and reliability combined with consistently high quality, Franz Funke is a very attractive business partner within the industry.

The company intends to maintain its positive sales and profit growth in 2001.



GESCO AG shareholding	80%
Management shareholding	20%
Capital ratio (31.12.00)	41.0%
Sales 2000 (in DM m)	14.6 (+27.0%)
Staff (31.12.00)	56 (+19.1%)
Member of the GESCO Group since	01.01.1990



Managing Director Günter Kegel



A massive load-bearing capacity: Haseke's brackets and swivel arms.

Haseke GmbH & Co. KG, Porta Westfalica

Haseke has consistently pursued its growth course. In financial year 2000, the company took advantage of lively demand, increased its sales by an impressive 27% and achieved overproportional profits. The investments of the last few years have paid off, and further investments will be made in future.

Haseke operates in three business areas:

- office technology, such as computer installation systems for ergonomic PC workstation design,
- control housings with support systems used in mechanical engineering and control and regulating technology,
- brackets and swivel arms for medical technology

As in the last few years, the main focus of investment was on product development in the field of medical technology. In cooperation with leading manufacturers, Haseke is well positioned as a systems provider of technical equipment used in operating theatres and hospital rooms.

It is not only its technical competence which sets Haseke apart, but also its sales focus and customer relations. Haseke products are known for their reliable, tried and tested technology, and award-winning design. Haseke is innovative both in terms of technology and design and owns more than 20 patents and registered utility models.

2001 also looks like being a successful year for Haseke; the company aims to maintain its extremely positive growth development. The main focus of investment is the building of a new production hall, as well as the implementation of an ERP system for operational resource planning.



GESCO AG shareholding	100%
Capital ratio (31.12.00)	46.8%
Sales 2000 (in DM m)	27.2 (+8.8%)
Staff (31.12.00)	90 (+1.1%)
Member of the GESCO Group since	01.01.1997



Managing Director Rüdiger Götzen



Top: MAE is the market leader in wheel presses in Germany and the rest of the world.

MAE Maschinen- und Apparatebau Götzen GmbH & Co. KG, Erkrath

For MAE, financial year 2000 was characterised by lively demand and high growth. Sales rose by 8.8% to DM 27.2 million. Despite high development costs for levelling machines, and particularly for wheel presses, profits were in the region of the record level of the previous year.

MAE operates in four business areas:

- automatic levelling machines, used primarily in the automotive industry. Accounting for approx. 60% of sales, MAE is the German and world market leader in this area
- wheel presses for rolling stock. MAE is also the German and world market leader in this area (approx. 25% of sales)
- standard range of presses and machines for manually levelling, clearing, assembling, testing and forming (approx. 10% of sales)
- glass processing machines manufactured for outside producers (approx. 5% of sales)

The cornerstones of its success are innovation, quality, modular construction products, as well as highly competent personnel and minimal staff turnover, which make the Erkrath based company a market leader with a first class reputation. The service and replacement parts business also grew palpably in the year under review.

The main focus of investment in 2000 was on CAD software for design.

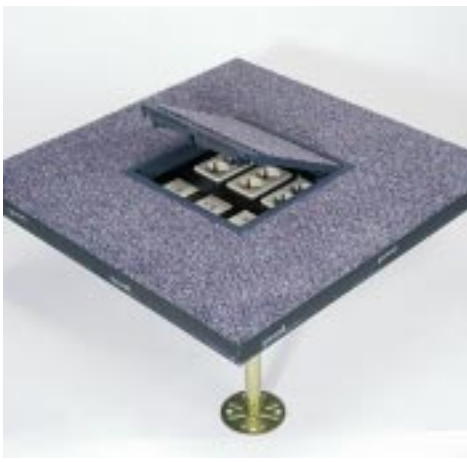


MAE began 2001 with a healthy order book, keeping the company busy until well into the financial year. MAE therefore sees a good chance of attaining the high sales and profit levels it achieved in 2000. MAE plans to expand its capacity in 2001 in order to meet the consistently high demand with a new building for the expansion of the administrative and design departments as well as the expansion of a production hall.

GESCO AG shareholding	74%
Management shareholding	26%
Capital ratio (31.12.00)	33.1%
Sales 2000 (in DM m)	26.2 (+15.9%)
Staff (31.12.00)	32 (unchanged)
Member of the GESCO Group since	01.04.1995



Managing Director Heinz-Jürgen Schmitz



Versatile: Paroll offers double floors with a wide range of surfaces.

Paroll Doppelboden-Systeme GmbH & Co. KG, Radevormwald

2000 was a very successful year for Paroll. Despite the difficult market conditions, the company increased its sales by 15.9% and more than doubled profits, thereby further expanding its market share and strengthening its position as an innovative and powerful partner for leading building companies, planners and developers.

The Paroll brand of double floor systems, which facilitates the ready installation of underfloor cables and pipes and offers easy accessibility as well as noise and fire protection, is used mainly for office premises. In addition, these floors feature a variety of surface designs, including natural and artificial stone, carpeting and parquet flooring.

Paroll sells its double flooring systems via two sales channels. On the project side, the company acts as a direct partner to building companies, planners and developers, while selling its systems to installation companies on the delivery side. Paroll's range of services also includes the renewal of surfaces on existing double floor systems.

The strength of the company is work on large-scale projects. Delivering the product in huge quantities of a high quality on time is what the company does best. Such large projects currently involve the 25,000 m² office building for Dresdner Kleinwort Wasserstein in Frankfurt, which was commissioned by DaimlerChrysler, and some of the government buildings in Berlin, where Paroll double flooring is being installed in circular conference rooms.

Paroll is aiming to maintain the high level of sales in 2001 and to further consolidate the excellent results achieved in 2000.



GESCO AG shareholding	24,9%
Management shareholding	75.1%
Capital ratio (31.12.00)	11.4%
Sales 2000 (in DM m)	24.5 (+80%)
Staff (31.12.00)	35 (-45.3%)
Member of the GESCO Group since	01.01.1990



Managing Director Bernd Steiner



International: "made by Steiner" process and project management.

Steiner GmbH & Co. KG, Wilnsdorf

In August 2000, Steiner Anlagentechnik GmbH & Co. KG was merged with Steiner GmbH & Co. KG with retroactive effect from 1 January 2000.

Marked by the bankruptcy of two major clients and a drastic restructuring programme, 1998 and 1999 were years of crisis for the Steiner Group.

Steiner has since focused on process and project management as well as the production of core components for the chemical, petrochemical and iron and steel industries. Outstanding factors in 2000 were the completion of the restructuring programme and dynamic sales activities, in particular at international level. With a clear increase in sales of DM 24.5 million, Steiner closed the year with a slight profit. North-Rhine Westphalia granted a State guarantee to the company, which will ensure the company's viability and support some of the jobs.

Steiner is looking to the future with cautious optimism. The company continues to invest a lot of hard work in new business procurement, in international markets in particular, as well as improving results.





Managing Directors
Utz Eisenrigler and
Alfred Müller (from
left)



Forward-looking: laying the foundation stone for the new Vodafone call centre in the presence of the Saxony Prime Minister.



**Gewerbepark
Wilthener Straße GmbH,
Bautzen**

This unique shareholding represents the GESCO Group's contribution to the building of the new eastern Germany. Following a GESCO AG initiative, the redevelopment of a 65,500 m² site with existing buildings began in 1992. Saxony and what was the Treuhandanstalt at the time provided financial support for the transformation of this site into an industrial park comprising production, service and technological facilities. To date, investment in renovation and new construction amounts to a total of approx. DM 50 million.

GESCO AG owns 32.5% of shares, while the Management holds 67.5%.

Around 22,000 m² production area and 13,000 m² of office space and service area, which, at 95%, is virtually fully let, house almost 50 companies ranging from small craftsman's businesses to medium sized services providers and technology groups. These offer jobs and training for around 1,000 people. Gewerbepark Wilthener Straße is exemplary in terms of the redevelopment of industrial wasteland and has been classified as a pilot project for Saxony.

In 2000 and 2001, a new call centre was built for D2 Vodafone, which opened in March 2001. Here around 500 new jobs will be created by the year 2003. Almost concurrently a cutting edge SAP IT centre was set up for itelligence AG and officially opened in March 2001.

Due to the significantly more favourable level of interest rates, the industrial park has been financed in Swiss francs for many years. In the year under review, the drop in the euro against the Swiss franc resulted in an exchange price loss in terms of the book value, which, however, had no adverse effect on operating business. The future prospects for the industrial park continue to be excellent.

Alro GmbH, Wuppertal

As at 1 January 2001, the company was split. The company's operating business was integrated in the newly established Alro GmbH & Co. KG Druck Schutz Veredlung, while the property holding remained with the original company, which was renamed Alro GmbH. The property has been leased long term to the operating company.

Alro GmbH & Co. KG Druck Schutz Veredlung was sold on 1 January 2001. Alro GmbH and its property holding will remain part of the GESCO portfolio.

The results for financial year 2000 of Alro GmbH Druck Schutz Veredlung were consolidated in the Group financial statements 2000/2001, with sales amounting to DM 1.7 million and a profit.

*Molineus & Co. GmbH + Co. KG, Wuppertal**Tomfohrde GmbH & Co. Industrieverwaltungen, Wuppertal*

Both companies are wholly owned by GESCO AG and are involved in the leasing and management of two company-owned properties.





Dr. Axel Hellebrand, Chairman of the Executive Board of CSP Camssoft AG, Dr. Hans-Gert Mayrose, Member of the Executive Board of GESCO Technology AG (from right)



CSP Camssoft AG für Software-Entwicklung Aktiengesellschaft, Villingen-Schwenningen

As at 1 January 2001, GESCO Technology AG acquired a 25.2% stake in CSP Camssoft AG, Villingen-Schwenningen. GESCO Technology AG now has one seat on the Supervisory Board.

Established in 1985 by Dr Axel Hellebrand and Norbert Graf, the company operates in mobility management of movable assets. Camssoft sees itself as a systems provider which offers comprehensive integrated solutions that are user specific and involve several key technologies, such as database solutions, transponder technology and GPS.

Camssoft provides clients with a "continuous mobile inventory" which ensures ongoing and complete transparency about location and stocks. The associated time, cost and quality benefits are evident. Successful examples include testing logistics for tools and mobile hospital equipment, availability of resources in trade fair and events management and car hire management.

Camssoft AG will use the inflow of funds resulting from the involvement of GESCO to adapt existing product ideas to the requirements of new markets, facilitating new applications and the access to new target groups. With only five employees, the company achieved sales totalling around one million deutschmarks and good results in financial year 2000. In recent months, Camssoft has extended its staff complement in the Marketing, Sales and Technology segments.



Dr. Sven Hüther, founder of Planet ID

Planet ID GmbH, Essen

In August 2000, GESCO Technology AG acquired a 40% shareholding in this young company. The company, which was established by a veterinary doctor, offers transponder technology systems, i.e. contact free data transmission. Initially, Planet ID is focusing on electronic tagging of pets. The company is developing practice based integrated solutions ranging from injection guns to transponders to scanners, which are tailored to the needs of veterinary doctors. The company's expansion into the domesticated animals market represents one corporate target for the near future. This expansion will be greatly aided by new European tagging standards.

The company develops some of its system components in-house and outsources the manufacturing, while purchasing others on the market. In terms of sales, Planet ID works with leading pharmaceutical companies which guarantee a high level of market penetration.

Following intensive expansion activities, with sales of around one million deutschmarks, financial year 2000 ended with a slight deficit for Planet ID, but was within budget. As at 31 December 2000, the company had four employees.

In 2001, Planet ID will extend its sales cooperations to other European countries and develop additional industrial applications in transponder technology.





Professor Dr. Markus Böhm and Karl-Heinz Schmallenbach, Members of the Executive Board of Silicon Vision AG (from left)



Silicon Vision AG, Siegen

As at 14 June 2000, GESCO Technology AG acquired a 16% shareholding in Silicon Vision AG. Co-investors in this company, which was established in 1996, include Agfa Gevaert, Börsenmakler Schnigge and Julius Bär. The Chairman of the Supervisory Board is a representative of GESCO Technology AG. Silicon Vision develops and produces new generation high-resolution image sensor chips. The significant advantage over conventional image sensors is the high level of integration of image digitising and processing in one component, whilst providing excellent picture quality at low costs ("camera on a chip" principle). Areas of application include consumer goods (scanners, digital cameras, webcams) as well as the high-end segment (professional cameras, cruise control etc.).

The funds made available by investors in Silicon Vision will be used to build a facility near Dresden. In its initial stage, this is set to generate annual sales exceeding DM 100 million. In June 2001, the foundation stone will be laid and production is scheduled to start in the second quarter of 2002. The second phase, which will involve a considerable increase in production, is to be funded with the proceeds from the company's stock exchange launch.

In 2000, Silicon Vision changed its financial year from the calendar year to the period from 1 September to 31 August. The period from 1 January 2000 to 31 August 2000 represented an eight month rump financial year for Silicon Vision, during which the company achieved sales of DM 1.2 million, remaining on budget despite a loss. As at 31 August 2000, the company had 16 employees. In view of the relocation of production to Dresden at the beginning of 2001 and the new facility, the staff complement is currently being increased.

In 2000, the company focused mainly on processing development contracts, further development of products for series production and the complex project management relating to the planned production facility in Dresden. In addition, Silicon Vision began with the setting up of a sales structure in 2001.

*EquiNet Early Stage Capital Fonds Nr. 1
GmbH & Co. KG, Frankfurt am Main*



GESCO's commitment in this fund, which was set up in 2000, forms part of the Group's contractual strategic alliance with Frankfurt based Equinet Venture Partners AG. GESCO Technology AG cooperates with Equinet in examining investment ventures in the New Technologies division. Equinet focuses on IT and the Internet, areas of expertise which do not form core competences of GESCO Technology. In year under review, the first minor dividend payment was recorded, following the stock exchange launch of BioTissue Technologies AG.



Tradition • Innovation • Vision

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